

Hampden County Retirement Board

Approved October 18, 2002

A. Introduction:

In order to ensure an orderly procedure to comply with G.L. Chapter 32 section 20(5)(b) to provide for the payment of Retirement Board Member and staff expenses for travel and other related expenditures and to meet, comply with and maintain the fiduciary responsibilities and standards of the Retirement Board Members and staff and further recognizing that the continuing education and training of the Retirement Board Members and staff are essential to meet these fiduciary responsibilities and obligations, the Hampden County Regional Retirement Board hereby adopts the following regulation governing travel and related expenditures.

B. Procedure for Approval of Expenditures:

In the event a member of the Retirement Board wishes to be reimbursed for any expenses for travel or related expenditures such as meals, mileage, airfare, taxis, registration fees, hotel charges or loss of wages for attendance at any meeting, seminar, conference or similar function, the Board Member must request, at least thirty days prior to the meeting, seminar or conference at a Retirement Board meeting, to be paid or reimbursed for said expenses or wages. This request shall be accompanied by a meeting, seminar or conference agenda, if available.

Where advance notice and approval of attendance at a meeting, seminar or conference may be impractical due to the Board's scheduled meeting date, notice shall be provided to the Executive Director and to the Board Members as soon as possible. In such case, the Executive Director shall poll the Board Members individually for approval and shall convey the results of said poll to the Board Member making the request and to the Chairman in a timely manner. At the next scheduled meeting thereafter, the Board Members shall vote on the member's request. For all requests, the Retirement Board shall vote in an open meeting and the minutes shall reflect the Board's action and extent of the authorization.

Within thirty days following the conclusion of the conference, meeting, seminar or similar function, the Board Members shall complete and submit to the Retirement Board Executive Director a *Travel Reimbursement Form* (a copy is attached hereto as Exhibit A). The Retirement Board Member shall list and certify under the pains and penalties of perjury on said form all expenditures for which reimbursement is sought and include as attachments all original receipts for all expenses incurred and for which reimbursement is sought. Any travel expenses for which receipts are unavailable such as gratuities must be fully described and reimbursed based on the Board Members certification that the expenses were necessary and incidental to the approved travel. Reimbursement may be made only to the person who made payment for the expense.

C. Standards:

If a majority of the Retirement Board present and voting determines at a duly called meeting that the attendance at the meeting, seminar or conference by the Board Member is a necessary expenditure in service on or to the Retirement Board, the Retirement Board shall authorize the payment or reimbursement of the necessary and/or lost wages related to attendance at the meeting, seminar or conference in accordance with this regulation.

The Hampden County Regional Retirement Board has determined that payment of the following expenses shall be administered as follows:

1. Automobile mileage of a personal automobile when used to travel to and from conferences and all other retirement business shall be reimbursed at the IRS allowed rate. Parking fees and tolls are also reimbursable expenses.
2. Hotel Accommodations shall be charged at the conference rate. If a Board Member upgrades hotel accommodations, the cost of said upgrade shall be the responsibility of the Board Member. Necessary and reasonable expenses for hotel accommodations shall be considered to be room charges, related taxes, hotel parking and meals (up to one hundred dollars per day not including gratuities). Incidental charges such as gift shop charges, in room movies, or alcoholic beverages shall not be reimbursable expenses.
3. Telephone calls by Board Members attending educational conferences, programs and seminars which relate directly to the business of the retirement system shall be considered necessary and reasonable expenses. Up to three unrelated business or personal telephone calls per day shall also be considered necessary and reasonable expenses.
4. Spouses of Board Members may accompany a Board Member when attending conferences, and may occupy the same hotel room. If such double occupancy results in an increase cost of the room charge above the rate which would have been charged to the member of a single occupancy room, said additional cost shall be the responsibility of the Board Member.
5. The Executive Director shall be responsible for making travel arrangements and for assisting Board Members in completing the reimbursement forms and in complying with this regulation.
6. An extended stay of the Retirement Board Member may be authorized if the net cost to the Board of the travel costs will be lower. For example, if airline fare is lowered by staying an extra day and the cost of accommodations and meals for that extra day results in a net savings to the Board, an extended stay may be authorized by the Retirement Board.
7. All travel should be at the lowest fare available. The source of rental cars must be a national rental agency. The rental rate shall be negotiated by the Executive Director or Board Member responsible for arranging travel. It is the Board Member's responsibility to verify that the rate charged is the rate negotiated. The Board Member must accept optional insurance coverage for rental cars.

8. Airline club memberships shall not be a reimbursable travel expense.
9. Any motor vehicle accidents which occur while using a rental car while on Board-approved travel must be reported as soon as practicable, in writing to the appropriate authorities, with copies of all such reports provided to the Board.
10. The Board Member is personally responsible for the payment of fines or other expenses incurred as a result of traffic violations while on Board-approved travel. These payments shall not be considered reimbursable expenses.
11. In the event a Board Member seeks reimbursement for business meetings involving meals for others while on Board-authorized travel a Board Member shall provide in writing the name of each participant, their affiliation and the nature and matters discussed at the meeting. Reimbursement for these expenses shall only be made for meetings that are for a legitimate Retirement Board business purpose.
12. If conference, seminar or meeting registration fees include lodging and meals, reimbursement may be made only for the lodging or meals not included by the registration fees.
13. No cash advances for Board travel expenses may be made to a Board Member.
14. The Hampden County Regional Retirement Board does not authorize the use of credit or debit cards.

D. Vendor Sponsored Events:

Expenses for travel and lodging for Board Members while attending a vendor-sponsored event shall be processed in accordance with the above sections. When attending a vendor-sponsored event, Board Members shall not accept direct or indirect payments or reimbursements from vendors for travel and lodging, nor allow payments by vendors on behalf of a Board Member for same. If a Board Member participates in a legitimate speaking engagement, the Board shall pay all costs and expenses related to such speaking engagement, provided, that the Board Member complies with all of the Board's travel regulations. The Board may accept reimbursement for such travel-related expenses of a member from the third party, only under the following limited circumstances:

1. A Board Member or a member of a Board's staff may participate in legitimate speaking engagements in connection with their positions on the Retirement Board or as a member of the Board's staff and the Board may accept reimbursements from third parties necessary to cover travel-related costs for such engagements.
2. Acceptance of an honorarium or any other form of compensation is strictly prohibited.

3. To be considered a legitimate speaking engagement, the presentation must be formally scheduled on the agenda of a convention or conference.
4. The speaking engagement must be scheduled in advance of the Board Member's or staff member's arrival at the event.
5. The presentation must be before an organization that would normally have outside speakers address them at such an event.
6. The presentation cannot be perfunctory, but should significantly contribute to the event, taking into account such factors as the length of the speech or presentation, the size of the audience, and the extent to which the speaker is providing substantive or unique information or viewpoints.
7. The Retirement Board can be reimbursed by a third party for expenses only to the extent necessary for making the speech or presentation.
8. Under no circumstances can a Board Member or staff member receive reimbursement or any other payment or compensation from a third party.

E. Payments or Reimbursements for Expenses by Third Parties

A Retirement Board Member may not provide or receive anything of substantial value from any person, firm, partnership or other entity which may be reasonably expected to seek to do business with or is seeking to do business with or presently is doing business with a Retirement Board or any person, firm or other entity that solicits or makes referrals or which may be reasonably expected to solicit or make referrals of any client on behalf of such a person, firm, partnership or other entity. The Board's Members may not provide to or receive anything of substantial value from such a person, firm, partnership or other entity indirectly through any person, firm, association, organization or other entity.

F. Violation of Board Travel Regulations or PERAC Guidelines

Any person or entity that violates PERAC Guidelines or Retirement Board regulations adopted pursuant to PERAC Guidelines and approved by the Commission shall be deemed to have violated the provisions of 840 CMR 17.00 and shall be subject to removal as a qualified investment manager or consultant pursuant to 840 CMR 17.04(10). In addition, the Commission shall not grant an exemption pursuant to 840 CMR 19.02 or a qualification pursuant to 840 CMR 26.04 if any person or entity that has violated PERAC Guidelines or Retirement Board regulations adopted pursuant to PERAC Guidelines is the subject of the filing pursuant to those provisions.

G. Miscellaneous Issues

1. In no event shall these regulations prevent a Member of the Retirement Board from attending any meetings, seminars or conferences at his or her own expense.
2. This regulation shall also apply to Retirement Board staff members.